

§ 151.123

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aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity;

(c) Agrees that it will terminate any existing exclusive right to engage in the sale of gasoline or oil, or both, granted before July 17, 1962, at such an airport, at the earliest renewal, cancellation, or expiration date applicable to the agreement that established the exclusive right; and

(d) Agrees that it will terminate any other exclusive right to conduct any aeronautical activity now existing at such an airport before the grant of any assistance under the Federal Airport Act.

[Amdt. 151-30, 34 FR 3656, Mar. 1, 1969 as amended by Amdt. 151-32, 34 FR 9617, June 19, 1969]

§ 151.123 Procedures: Offer; amendment; acceptance; advance planning agreement.

(a) The procedures and requirements of § 151.29 also apply to approved advance planning proposals. FAA's offer and the sponsor's acceptance constitute an advance planning grant agreement between the sponsor and the United States. The United States does not pay any of the advance planning costs incurred before the advance planning grant agreement is executed.

(b) No grant is made unless the sponsor intends to begin airport development within three years after the date of sponsor's written acceptance of a grant offer. The sponsor's intention must be evidenced by an appropriate written statement in the proposal.

§ 151.125 Allowable advance planning costs.

(a) The United States' share of the allowable costs of an advance planning proposal is stated in the advance planning grant agreement, but is not more than 50 percent of the total cost of the necessary and reasonable planning and engineering services.

(b) The allowable advance planning costs consist of planning and engineering expenses necessarily incurred in effecting the advance planning proposal. Allowable cost items include—

- (1) Location surveys, such as preliminary topographic and soil exploration;
- (2) Site evaluation;

(3) Preliminary engineering, such as stage construction outlines, cost estimates, and cost/benefit evaluation reports;

(4) Contract drawings and specifications;

(5) Testing; and

(6) Incidental costs incurred to accomplish the proposal, that would not have been incurred otherwise.

(c) To qualify as allowable, the advance planning costs paid or incurred by the sponsor must be—

(1) Reasonably necessary and directly related to the planning or engineering included in the proposal as approved by FAA;

(2) Reasonable in amount; and

(3) Verified by sufficient evidence.

§ 151.127 Accounting and audit.

The requirements of § 151.55 relating to accounting and audit of project costs are also applicable to advance planning proposal costs. However, the requirement of segregating and grouping costs applies only to § 151.55(a) (5) and (7) classifications.

§ 151.129 Payments.

(a) The United States' share of advance planning costs is paid in two installments unless the advance planning grant agreement provides otherwise. Upon request by sponsor, the first payment may be made in an amount not more than 50 percent of the maximum obligation of the United States stipulated in the advance planning grant agreement upon certification by sponsor that 50 percent or more of the proposed work has been completed. The final payment is made upon the sponsor's request after—

(1) The conditions of the advance planning grant agreement have been met;

(2) Evidence of cost of each item has been submitted; and

(3) Audit of submitted evidence or audit of sponsor's records, if considered desirable by FAA, has been made.

(b) When the advance planning proposal relates to the selection of an airport site, the advance planning grant agreement provides that Federal funds are paid to the sponsor only after the site is selected and the Administrator is satisfied that the site selected for